(c) if so, by when this anomaly would be sorted out?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Return on infrastructure projects are poor due to low user charges, larger gestation period and poor maintenance spending. More than half of the borrowings are used by States for their current expenditure, leading to higher deficit and borrowing. Higher borrowing for expenditure on infrastructure combined with lower return on the investment has increased the debt servicing of the States.

(c) Twelth Finance Commission recommended Debt Consolidation and Relief Facility, under which States are required to bring own fiscal correction path by reducing revenue deficit to zero and fiscal deficit to 3% of GSDP by 2008-09. Besides, Twelfth Finance Commission has recommended sizeable grants in aid to States to supplement their resources. These may enable the States to have more fiscal space to improve the quality of expenditure on infrastructure.

Financial AID to Poor Farmers

624. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to state:

(a) whether the institutional finance agencies have failed to provide finance to the poor farmers resulting in more suicides by farmers;

(b) if so, the reasons therefor; and

(c) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Do not arise.

Constitution of Sixth Pay Commission

625. PROF. R.B.S. VARMA:
SHRI BALAVANT *ALIAS* BALAPTE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Fifth Central Pay Commission had recommended in para 171.11 and 171.12 of its Report that the Sixth Central

Pay Commission should be constituted by 1st Jan, 2003, so that its report may come out by 1st Jan, 2006.

(b) if so, then why Government are not constituting Sixth Central Pay Commission on the plea that 50 percent D.A. has been merged with the Basic Pay of the Central Government Employees;

(c) whether it is a fact 50 percent D.A. merger was done as per the recommendation of the Fifth Pay Commission; and

(d) how much more time Government propose to take for the constitution of Sixth Pay Commission?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) The Government did not accept Fifth CPC recommendation regarding constitution of Sixth Pay Commission.

(c) Yes, Sir. It is also clarified that V CPC recommendation regarding merger of DA was accepted by the Government in a modified manner.

(d) There is no proposal under consideration of the Government at this juncture.

Merger of Mints and Paper Mills

626. SHRI B.J. PANDA:
SHRI EKANATH K. THAKUR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to merge mints, security Presses and paper mills into a Corporation to improve their productivity and financial performances;

(b) if so, by when the Corporation is likely to come into effect; and

(c) the details of the action plan *inter-alia* indicated the outlay involved in the process?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. The proposal is to corporatise all Security Presses, Mints and Security Paper Mill.